

ECONOMIC COOPERATION

Exchange of notes at Rome April 29, 1949
Entered in force April 29, 1949

Department of State files

The American Ambassador to the Minister of Foreign Affairs

APRIL 29, 1949

EXCELLENCY:

I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to the exercise by the Government of Italy of "drawing rights" pursuant to the Agreement for Intra-European Payments and Compensation of 16 October 1948. As a result of such conversations, which concerned particularly the "drawing rights" attributable to dollar assistance furnished by the Economic Cooperation Administration to participating countries for the purposes of the above-mentioned Agreement, an understanding has been reached which I take pleasure in confirming. That understanding is as follows:

1. To the extent that the Agent authorized to perform payments compensations under the Agreement for Intra-European Payments and Compensation utilized drawing rights established in favor of Italy, the Government of Italy will deposit commensurate amounts of lire in the special local currency account established under Article IV of the Economic Cooperation Agreement between Italy and the United States.¹

2. The amounts to be deposited shall be equivalent to the U.S. dollar value of drawing rights made available by participating countries and exercised in favor of Italy as communicated to the ECA by the agent. This value will be identical with the amount of U.S. dollars allotted to such participating countries in order to obligate them to make such drawing rights available.

3. The rate of exchange governing the computation of amounts of local currency deemed equivalent to the dollar value of drawing rights as set forth in paragraph 2 above shall be the same as those governing deposits made in accordance with Article IV of the Economic Cooperation Agreement between Italy and the United States.

¹ Agreement signed at Rome June 28, 1948 (TIAS 1789, *ante*, p. 306).

4. Deposits of local currency made pursuant to this exchange of notes shall be held and governed in accordance with all the terms and conditions applicable to deposits made pursuant to Article IV of the Economic Cooperation Agreement between the United States and Italy.

5. It is understood that obligations to deposit local currency in accordance with this note apply only in the case of drawing rights to which no obligations of repayment attach.

Please accept, Excellency, the renewed assurance of my highest consideration.

Sincerely,

JAMES CLEMENT DUNN

COUNT CARLO SFORZA
Minister of Foreign Affairs
Palazzo Chigi
Rome, Italy

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

APRIL 29, 1949

EXCELLENCY:

I have the honor to refer to the memorandum Your Excellency sent me concerning the conversations which have recently taken place between representatives of our two governments relating to the exercise of drawing rights pursuant to the Agreement for Intra-European Payments and Compensations of October 16, 1948.

As a result of these conversations, which concerned particularly drawing rights attributable to dollar assistance furnished to the participating countries by the Economic Cooperation Administration for the purposes of the above-mentioned Agreement, the following understanding has been reached which I take pleasure in confirming:

[For terms of understanding, see numbered paragraphs in U.S. note, above.]

Please accept, Your Excellency, the renewed assurance of my highest consideration.

Sincerely,

SFORZA

His Excellency

JAMES CLEMENT DUNN
Ambassador of the United States of America